

## REMARKS

Prior to entry of this Amendment:

- Claims 1 – 34, 36 – 56, 69, 70, and 75-79 were pending in the present application
- Claims 1 – 34, 36 – 56 and 65 – 75 stand rejected (pending Claims 76-79 were not examined)

Upon entry of this Amendment, which is respectfully requested for the reasons set forth below:

- Claims 1 – 34, 36 – 56, 69, 70, and 75-84 will be pending
- Claims 1, 69, 76, 78, 79, 80, 81, and 82 will be the only independent claims
- Claims 1, 41, 53, and 54 will be amended
- Claims 80-84 will be added

### **A. Telephone Interview**

We would like to thank the Examiner for the helpful telephone conversation held on April 21, 2005, with our representative.

The Examiner agreed with our representative that Claims 76-79 are pending, but were not examined in the present Office Action. Accordingly, we expect that a future rejection (if any) of Claims 76-79 will necessarily be provided in a non-final Office Action.

The Examiner and our representative discussed the present application in light of www.columbiahouse.com and bestbuy.com. The Examiner stated a belief that if Claim 1 were amended to claim that the information identifying a product is received by the same controller that also determines terms of a subscription, Claim 1 would be allowable over at least the cited references.

Our representative requested that the Examiner explain how www.columbiahouse.com teaches or suggests the features of *receiving information identifying a product* and *identifying at least a first retailer offering the product*, as recited in Claim 1. In response, the Examiner stated that it appeared he was “wrong on this.” Our representative understood the Examiner to be stating that the Examiner does not believe that www.columbiahouse.com teaches or suggests either of those features.

While no formal agreement was reached with respect to patentability, we are grateful for the opportunity to discuss the present application with the Examiner.

**B. Claims 76-79 Have Not Been Examined**

The Examiner agreed during the Telephone Interview that Claims 76-79 have not yet been examined after being added with a Request for Continued Examination. Accordingly, any forthcoming rejection of Claims 76-79 will not be final. We submit that, for at least the reasons stated in the Amendment and Response mailed September 9, 2004 (pages 22-23), Claims 76-79 contain allowable subject matter.

**C. Claim Amendments**

No new matter has been added.

**C.1. Claim 1 has been amended to correct a minor typographical error**

During a review of the file, we noted that in Claim 1 “the at least one retailer” should be corrected to read *the at least first retailer*. We have made the correction in this Amendment. The Examiner did not require this correction, nor was the correction made for any reason related to patentability.

**C.2. Claims 53 and 54 have been amended to correct an obvious error in dependency**

As a result of an error discovered during a review of the file, Claims 53 and 54 have been amended to depend correctly from Claim 6. The Examiner did not require this correction, nor was the amendment made for any reason related to patentability.

**C.3. Claim 41 has been amended**

Claim 41 has been amended to recite *establishing at least one modified term of the subscription based on the at least first proposed term and the at least second proposed term*. This Examiner did not require this amendment, nor was the amendment made for any reason related to patentability.

**D. Section 102(b) Rejection**

Claims 1-17, 20, 22-28, 36-39, 41-44, 47, 48, 50-56 and 65-74 stand rejected under 35 U.S.C. § 102(b) as being anticipated by www.columbiahouse.com. We respectfully traverse the Examiner's Section 102(b) rejection.

**D.1. Claims 6, 53, and 54**

The Examiner has not provided any evidence of (or even addressed) features of *settlement terms, a settlement amount, or a settlement party, much less paying the settlement amount to the settlement party based on fulfillment of the subscription*, as recited in Claim 6. Claims 53 and 54 have been corrected to depend from Claim 6.

www.columbiahouse.com does not appear to suggest such features, and the Examiner does not assert otherwise.

A *prima facie* case of anticipation requires substantial evidence of record that such features would have been known. With respect to Claims 6, 53, and 54, no evidence has been provided. Accordingly, no *prima facie* case of anticipation has been made for Claims 6, 53, and 54. We respectfully request withdrawal of the anticipation rejection of Claims 6, 53, and 54.

**D.2. Claims 41, 42, 55, and 56**

The Examiner has not provided any evidence of features of *receiving at least a second proposed term from the customer or establishing at least one modified term of the subscription based on the at least one proposed term and the at least second proposed term*, as now recited in Claim 41. Claim 42 depends from Claim 41.

The Examiner also has not provided any evidence of features of *receiving a modification request or modifying terms of the subscription if the modification request is for a permitted modification*, as recited in Claim 55. Claim 56 depends from Claim 55.

www.columbiahouse.com does suggest any such features. The Examiner, however, asserts: "The 10 day cancellation policy reads on receiving a second or modified proposal from the customer. No deal or subscription is the established terms based on both proposals" (emphasis added).

We note that the copy of the cited reference provided to us does not include an indication of a "10 day cancellation policy."

We also dispute that one having ordinary skill in the art would have understood the cited reference as somehow teaching that terms of a subscription are established if there is actually no subscription at all, as asserted by the Examiner. We dispute that receiving a cancellation by a customer suggests a *proposed term* of a subscription or a *modification request*. There is no support in the record for the Examiner's unusual interpretations, and there is no evidence that the claimed features were known otherwise or that it would have been desirable to modify the cited preference to provide for such features.

Further with respect to Claim 56, the Examiner provides no evidence of and does not even address *wherein the modification request is a request to replace the product with a new product*. Even the Examiner's own interpretation of "cancellation" cannot support an assertion that such a feature was known.

A *prima facie* case of anticipation requires substantial evidence of record that such features would have been known. With respect to Claims 41, 42, 55, and 56, no evidence has been provided. Accordingly, no *prima facie* case of anticipation has been made for Claims 41, 42, 55, and 56. We respectfully request withdrawal of the anticipation rejection of Claims 41, 42, 55, and 56.

### D.3. Claims 46 and 49-51

The Examiner has not provided any evidence of (or even addressed) any of the following features:

- *a redemption identifier*
- *a transaction authorization request*
- *receiving a transaction authorization request from the at least first retailer*
- *determining whether a subscription is valid*
- *determining whether a subscription is valid based on the redemption identifier*
- *determining if a product may be redeemed under the subscription*
- *communicating an authorization of the transaction to the at least first retailer if the subscription is valid for the product,*

as generally recited in Claim 46. Claims 49-51 depend from Claim 46.

www.columbiahouse.com does not appear to suggest such features, and the Examiner does not assert otherwise.

A *prima facie* case of anticipation requires substantial evidence of record that such features would have been known. With respect to Claims **46 and 49-51**, no evidence has been provided. Accordingly, no *prima facie* case of anticipation has been made for Claims **46 and 49-51**. We respectfully request withdrawal of the anticipation rejection of Claims **46 and 49-51**.

**D.4. Claim 17**

The Examiner has not provided any evidence of (or even addressed) a feature of *wherein the information identifying the product is received from a customer and the customer is a group of individuals*, as recited in Claim **17**.

www.columbiahouse.com does not appear to suggest such a feature, and the Examiner does not assert otherwise.

A *prima facie* case of anticipation requires substantial evidence of record that such features would have been known. With respect to Claim **17**, no evidence has been provided. Accordingly, no *prima facie* case of anticipation has been made for Claim **17**. We respectfully request withdrawal of the anticipation rejection of Claim **17**.

**D.5. Claims 48 and 52**

The Examiner has not provided any evidence of (or even addressed) a feature of *wherein tracking fulfillment is performed by the customer*, as recited in Claim **48**. Claim **52** depends from Claim **48**.

www.columbiahouse.com does not appear to suggest such claimed subject matter, and the Examiner does not assert otherwise.

The Examiner also has not provided any evidence of (or even addressed) any features of:

*recording product purchase information on a customer device;*

*comparing the product purchase information with terms of the subscription stored on the customer device; and*

*updating subscription information on the customer device*

as recited in Claim **52**.

The cited reference does not suggest *a customer device, recording information on a customer device, or updating information on a customer device*. The Examiner does not assert otherwise.

A *prima facie* case of anticipation requires substantial evidence of record that such features would have been known. With respect to Claims **48 and 52**, no evidence has been provided. Accordingly, no *prima facie* case of anticipation has been made for Claims **48 and 52**. We respectfully request withdrawal of the anticipation rejection of Claims **48 and 52**.

**D.6. Claim 37**

The Examiner has not provided any evidence of (or even addressed) a feature of a *subscription frequency*, much less *wherein the penalty is assessed against the customer if the customer fails to comply with a term identifying a subscription frequency*, as recited in Claim 37.

www.columbiahouse.com does not appear to suggest such features, and the Examiner does not assert otherwise.

A *prima facie* case of anticipation requires substantial evidence of record that such features would have been known. With respect to Claim 37, no evidence has been provided. Accordingly, no *prima facie* case of anticipation has been made for Claim 37. We respectfully request withdrawal of the anticipation rejection of Claim 37.

**D.7. Claims 7-10**

The Examiner has not provided any evidence of (or even addressed) a feature of a *redemption identifier*, as recited in Claim 7. Claims **8-10** depend from Claim 7.

www.columbiahouse.com does not suggest such a feature, and the Examiner does not assert otherwise.

A *prima facie* case of anticipation requires substantial evidence of record that such features would have been known. With respect to Claims **7-10**, no evidence has been provided. Accordingly, no *prima facie* case of anticipation has been made for Claims **7-10**. We respectfully request withdrawal of the anticipation rejection of Claims **7-10**.

**D.8. Claim 14**

The Examiner has not provided any evidence of (or even addressed) a feature of wherein receiving information identifying a product comprises *receiving a desired price*, as recited in Claim 14.

www.columbiahouse.com does not appear to suggest such a feature, and the Examiner does not assert otherwise.

A *prima facie* case of anticipation requires substantial evidence of record that such features would have been known. With respect to Claim 14, no evidence has been provided. Accordingly, no *prima facie* case of anticipation has been made for Claim 14. We respectfully request withdrawal of the anticipation rejection of Claim 14.

**D.9. Claim 29**

The Examiner has not provided any evidence of (or even addressed) a feature of *wherein the terms of a subscription (that requires a plurality of purchases during respective visits) include information identifying a total price and wherein the customer pays the total price to a controller*, as generally provided for in Claim 29.

www.columbiahouse.com does not appear to suggest such claimed subject matter, and the Examiner does not assert otherwise.

A *prima facie* case of anticipation requires substantial evidence of record that such features would have been known. With respect to Claim 29, no evidence has been provided. Accordingly, no *prima facie* case of anticipation has been made for Claim 29. We respectfully request withdrawal of the anticipation rejection of Claim 29.

**D.10. Independent Claims 1, 69, and 70**

We do not agree with the Examiner's § 102(b) rejection of independent Claims 1, 69, and 70.

As stated by the Examiner during the Telephone Interview, the Examiner does not believe that www.columbiahouse.com teaches or suggests the following features of Claim 1:

- *receiving information identifying a product*, and
- *identifying at least a first retailer offering the product*.

With respect to these features, the Examiner conceded he was "wrong on this." Accordingly, we respectfully submit that the Examiner has not established a *prima facie* case of anticipation of Claim 1.

We also submit that there is no hint in www.columbiahouse.com of any requirement of a subscription that each required purchase be during a respective visit to a retailer.

In contrast, some embodiments of the present invention provide for wherein a subscription established for a customer requires, for example, that the customer purchase at least one unit of a product each week for a year at a retailer. [See, e.g., Specification, page 29, lines 11-16]. Requiring, as a term of a subscription, a customer to return to a retailer advantageously allows for the possibility that the customer will purchase, for example, items in addition to what is required by the subscription.

There is no suggestion in www.columbiahouse.com of the desirability of having a customer be required, by terms of a subscription, to make multiple visits to a retailer.

The Examiner also asserts, without explanation, that www.columbiahouse.com teaches “There are several deals or subscriptions offered, which have been determined by a controller.” [Office Action, page 2]. The Examiner does not indicate how the Examiner is interpreting the cited reference as teaching “a controller” or anything “determined by a controller.” We respectfully request clarification of how one of ordinary skill in the art at the time of the invention would have interpreted the cited reference as the Examiner has done in the present Office Action.

Independent Claims **69 and 70** recite apparatus and computer-readable medium, respectively, capable of providing functionality recited in Claim 1. Thus, we submit that Claims 1 (and claims 2-17, 20, 22-28, 36-39, 41-44, 47, 48, 50-56), **69 and 70** contain allowable subject matter. We respectfully request withdrawal of the Section 102(b) rejection.

**D.11. Claim 39**

The Examiner has not provided any evidence of a feature of *wherein the penalty is assessed against the customer by applying a penalty amount against a customer financial account*, as recited in Claim 39.

www.columbiahouse.com does not appear to suggest applying a penalty against a financial account, and the Examiner does not assert otherwise. The Examiner states: “a penalty or payment for videos not ordered is inherent.” The Examiner has not provided any evidence that a penalty is necessarily present in any of what is described in the cited reference, as is required for establishing “inherent”



teachings of a reference. Accordingly, we dispute the assertion of what is “inherent.”

A *prima facie* case of anticipation requires substantial evidence of record that such features would have been known. With respect to Claim 39, no evidence has been provided. Accordingly, no *prima facie* case of anticipation has been made for Claim 39. We respectfully request withdrawal of the anticipation rejection of Claim 39.

**D.12. Claim 2**

The Examiner has not provided any evidence of (or even addressed) a feature of *communicating terms of the subscription to the at least first retailer*.

www.columbiahouse.com does not appear to suggest determining, by a controller, terms of a subscription and also communicating terms of the subscription to a retailer. The Examiner does not assert otherwise.

A *prima facie* case of anticipation requires substantial evidence of record that such a feature would have been known. With respect to Claim 2, no evidence has been provided. Accordingly, no *prima facie* case of anticipation has been made for Claim 2. We respectfully request withdrawal of the anticipation rejection of Claim 2.

**E. Section 103(a) Rejection Over [www.columbiahouse.com](http://www.columbiahouse.com)**

Claims **25, 26, 30, 31, 40, and 75** stand rejected under 35 U.S.C. 103(a) as being unpatentable over:

[www.columbiahouse.com](http://www.columbiahouse.com), and

asserted subject matter for which no evidence has been provided (the Examiner's "Official Notice").

We respectfully traverse the Examiner's Section 103(a) rejection. The Examiner has not provided any evidence that the asserted features and motivations were known, much less substantial evidence.

**E.1. Substantial evidence of findings is required**

Factual findings are upheld unless they are unsupported by substantial evidence. In re Gartside, 203 F.3d 1305, 1316 (Fed. Cir. 2000). Substantial evidence is "such relevant evidence as a reasonable mind might accept as adequate to support a conclusion." Consol. Edison Co. v. NLRB, 305 U.S. 197, 229-30, 83 L. Ed. 126 (1938).

In order to make a *prima facie* case of obviousness, the Examiner is thus required to provide substantial evidence of asserted findings of fact underlying the rejections. Accordingly, the Examiner is required to provide substantial evidence of both:

- (i) asserted teachings of the prior art, and
- (ii) asserted motivations to combine teachings from different references.

**E.2. Examiner's factual assertions**

With respect to the additional claimed subject matter of all of Claims **25, 26, 30, 31, 40, and 75**, the Examiner states only: "The Examiner takes Official Notice that these minor payment variations and that supermarkets sell videos is old and well known in the art in order to maximize revenue." [Office Action, page 4]. No reference or other evidence is indicated in support of these assertions of what is "old and well known."

The Examiner asserts, with respect to all of the features of all of Claims **25, 26, 30, 31, 40, and 75**: "it would have been obvious...to modify the [www.columbiahouse.com](http://www.columbiahouse.com) system to incorporate the use [sic] different arrangements of penalties and specific stores in the art in order to maximize

revenue.” [Office Action, page 4]. Accordingly, we understand the Examiner is asserting that “to maximize revenue” would have been a motivation known at the time of the invention, and that this alleged motivation would have motivated one of ordinary skill in the art to provide for each of the specific respective features of Claims 25, 26, 30, 31, 40, and 75. No reference or other evidence is indicated in support of such an assertion.

**E.3. No substantial evidence of findings is provided**

The Examiner has not provided any evidence in support of any of the Examiner’s “Official Notice” in the Section 103(a) rejections of Claims 25, 26, 30, 31, 40, and 75 or the Examiner’s proposed motivation.

Without objective evidence in support, such assertions only indicate that the Examiner purports to have known of “minor payment variations and that supermarkets sell videos” at the time the Office Action was written, not that such things were “old and well known in the art” at the time of invention.

Accordingly, the Examiner cannot have established a *prima facie* case of obviousness of any of Claims 25, 26, 30, 31, 40, and 75.

**E.4. Claim 25**

The Examiner concedes that www.columbiahouse.com does not teach all of the features of Claim 25. [Office Action, page 4].

The Examiner has not provided any evidence of a feature *wherein the price decreases progressively per unit of product purchased during the duration of the subscription*.

No evidence has been provided to support either the Examiner’s assertion that such a feature was known or the Examiner’s assertion that it would have been obvious to provide for such a feature. Accordingly, no *prima facie* case of obviousness has been made for Claim 25. We respectfully request withdrawal of the obviousness rejection of Claim 25.

**E.4.1. Claims 26, 30, 31, 40, and 75**

The Examiner concedes that www.columbiahouse.com does not teach all of the features of Claims 26, 30, 31, 40, and 75. [Office Action, page 4].

No evidence is provided in support of this Examiner’s assertion that any of the features of Claims 26, 30, 31, 40, and 75 is “old and well known in the art.” finding. Thus, the Examiner has failed to provide substantial evidence of either:

- *wherein the price is the lowest price of the item occurring during the duration of the subscription (Claim 26),*
- *wherein the customer pays the total price to the controller at the end of the subscription (Claim 30),*
- *wherein the customer pays the total price to the controller when establishing the subscription (Claim 31),*
- *wherein the penalty is assessed against the customer by applying a penalty against a frequent shopper account (Claim 40), or*
- *in which at least one of the at least first retailer is a supermarket (Claim 75)*

**or**

a motivation to modify www.columbiahouse.com to provide for any of the above features.

Accordingly, the Examiner has failed to establish a *prima facie* case of obviousness of any of Claims **26, 30, 31, 40, and 75**. We respectfully request withdrawal of the obviousness rejection of Claims **26, 30, 31, 40, and 75**.

**F. Section 103(a) Rejection Over www.columbiahouse.com and Bestbuy.com**

Claims **18-21** stand rejected under 35 U.S.C. 103(a) as being unpatentable over:

www.columbiahouse.com, and

“bestbuy.com and physical stores.”

We respectfully traverse the Examiner’s Section 103(a) rejection.

All of Claims **18-21** depend from independent Claim **1** and are allowable over the cited references for at least the reasons stated above with respect Claim **1**.

The Examiner asserts: “...it would have been obvious...to modify the bestbuy.com [sic] and physical stores to incorporate the subscription plan of columbiahouse.com in order to provide an incentive to get a commitment to buy products over a period of time.”

We do not agree. There is no evidence of the desirability of modifying either “bestbuy.com” or “physical stores” in the manner suggested by the Examiner. There is no suggestion that the membership requirements and shipping

of catalog selections described in www.columbiahouse.com would have been deemed desirable for any type of “physical store.”

We also note that the copy of “bestbuy.com” provided to us does not suggest that “bestbuy.com” is a “store” or that any customer may purchase any product via “bestbuy.com.”

Accordingly, the Examiner has failed to establish a *prima facie* case of obviousness of any of Claims **18-21**. We request that the Section 103(a) rejection of Claims **18-21** be withdrawn.

**G. Newly-Added Claims 80-84 Are Patentable Over the Cited References**

Newly-added Claims **80-84** are patentable over the cited references.

**G.1. Claim 80**

Claim **80** is substantially similar to Claim **1** and in addition recites in which receiving of information identifying a product is by the same controller that determines terms of the subscription. The Examiner suggested during the Telephone Interview that such a feature would distinguish over at least the cited references.

**G.2. Claim 81**

No combination of the cited references teaches or suggests all of the features of Claim **81**, which include:

- *receiving from a customer information identifying a product;*
- *determining a plurality of retailers;*
- *selecting, by a controller, a first retailer from the plurality of retailers based on the information received from the customer,*
  - *in which the selected first retailer offers the product, and*
  - *in which the first retailer has at least one retail establishment; and*
  - *determining, by the controller, terms of a subscription for the product,*
  - *in which the terms indicate that the customer is required to make a plurality of purchases of the product during a duration of the subscription,*

- *each respective purchase being for one or more units of the product, and*
- *each respective purchase being made by the customer at any of the at least one retail establishment.*

Nothing of record teaches that each respective purchase of a required plurality of purchases made by a customer in accordance with a subscription for a product must be at a retail establishment.

Nothing of record teaches selecting, by a controller, a retailer from a plurality of retailers based on information identifying a product that is received from a customer.

### G.3. Claim 82

Some embodiments of the present invention provide for a frequency term of a subscription. For example, a retailer may require that individual products be purchased on a weekly or monthly basis. Thus, some embodiments of the present invention provide for wherein a subscription established for a customer requires, for example, that the customer purchase a unit of a product each week for a year at a retailer. [See, *e.g.*, Specification, page 13, lines 3-6; FIGs. 5, 6; page 16, lines 11-16; page 28, lines 14-16; page 29, lines 1, 11-14]. Thus, compliance with terms of the subscription may require that a customer visits a retailer and makes a purchase in each period of time indicated by the frequency (*e.g.*, each week) during the duration of the subscription (*e.g.*, a year).

According to Claim 82, a customer is required under the terms of the subscription to make a purchase in each of at least two periods of time (*e.g.*, in each of at least two week-long periods) during the duration of the subscription. Nothing in the cited references remotely suggests any such requirement, much less *determining whether the customer is complying with the frequency of the subscription*.

Further, nothing in the cited references suggests *a subscription price that is less than a retail price of a product, or identifying a supermarket offering the product*, as generally recited in Claim 82.

Thus, new independent Claim 82 contains allowable subject matter. The cited references do not suggest features of:

- *identifying at least one physical retailer offering the product;*

- *establishing, by a controller, terms of a subscription for the product, in which the subscription is valid at the at least one physical retailer, in which the terms include information identifying:
  - a subscription price, in which the subscription price is less than a retail price of a unit of the product,*
  - a frequency of the subscription that indicates a period of time,*
  - a duration of the subscription, in which the duration of the subscription includes at least two of the periods of time, and*
  - in which in order to comply with the frequency of the subscription the customer is required to purchase at least one unit of the product in each of the at least two periods of time;**
- *determining whether the customer is complying with the frequency of the subscription; or*
- *authorizing the customer to purchase the product at the subscription price if the customer is redeeming the product in accordance with the frequency.*

**G.4. Claim 83**

Claim 83 depends from independent Claim 1. Claim 83 recites *in which the product is a dairy product*. See, e.g., Specification, page 15. The references do not teach any such product.

**G.5. Claim 84**

Claim 84 depends from independent Claim 1. Claim 84 recites *in which the terms of the subscription indicate that the customer is required to purchase the product weekly*. See, e.g., Specification, page 13, lines 5-6. The references do not teach any such product.

For at least the reasons stated herein, we respectfully submit that new Claims 80-84 are allowable.

## H. Conclusion

It is submitted that all of the pending claims are in condition for allowance. The Examiner's early re-examination and reconsideration are respectfully requested.

If the Examiner has any questions regarding this amendment or the present application, the Examiner is cordially requested to contact Michael Downs at telephone number (203) 461-7292 or via electronic mail at mdowns@walkerdigital.com.

If any additional extension of time is necessary, please grant a petition for the extension of time required to make this Response timely. Additionally, please charge any appropriate fees necessary for this response and application.

### Charging information:

Deposit Account: 50-0271

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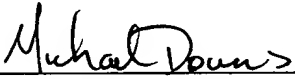
Please credit any overpayment to the same account.

*A duplicate copy of this authorization is enclosed for such purposes.*

Respectfully submitted,

May 23, 2005

Date

  
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